

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Robert G. Taub, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Nanci E. Langley

Competitive Product Prices  
Global Plus 2C Contracts (MC2012-5)  
Negotiated Services Agreements

Docket No. CP2013-38

Competitive Product Prices  
Global Plus 1C Contracts (MC2012-6)  
Negotiated Services Agreements

Docket No. CP2013-39

ORDER CONCERNING AMENDMENT TO GLOBAL PLUS 1C CONTRACT AND  
GLOBAL PLUS 2C CONTRACT NEGOTIATED SERVICE AGREEMENTS

(Issued February 4, 2013)

I. INTRODUCTION

The Postal Service filed notice of an additional agreement affecting the contracts that are the subjects of Docket Nos. CP2013-38 and CP2013-39.<sup>1</sup> For the reasons discussed below, the Commission concludes that the Additional Agreement requires no

---

<sup>1</sup> United States Postal Service Notice of Filing Document Concerning Global Plus 1C and 2C Contracts Negotiated Service Agreements, January 28, 2013 (Notice). The Notice includes a copy of the additional agreement as a non-public attachment (Additional Agreement).

further Commission action. However, the Commission directs the Postal Service to provide notice when the transaction described in the Additional Agreement occurs.

## II. BACKGROUND

On January 24, 2013, the Commission issued an order adding the agreement that is the subject of Docket No. CP2013-38 (Global Plus 2C Contract) to the Global Plus 2C product.<sup>2</sup> On January 25, 2013, the Commission issued an order adding the agreement that is the subject of Docket No. CP2013-39 (Global Plus 1C Contract) to the Global Plus 1C product.<sup>3</sup> On January 28, 2013, the Postal Service filed the Notice, along with a non-public, unredacted copy of the Additional Agreement. Notice at 1. The Postal Service filed the entire Additional Agreement under seal, asserting that it describes a transaction of a “highly sensitive commercial nature” that would not otherwise be disclosed under good business practice. *Id.* at 2. The Additional Agreement does not specify a date certain upon which the transaction will occur. *Id.* at Non-Public Attachment.

## III. COMMISSION ANALYSIS

Although it is not the first amendment filed regarding a Global Plus contract, the Additional Agreement is unusual. The Commission has not identified a previous case in which a Global Plus contract approved by the Commission has been the subject

---

<sup>2</sup> Order Approving Additional Global Plus 2C Negotiated Service Agreement, January 24, 2013 (Order No. 1633).

<sup>3</sup> Order Approving Additional Global Plus 1C Negotiated Service Agreement, January 25, 2013 (Order No. 1638).

of a transaction similar to the transaction described in the Additional Agreement.<sup>4</sup>

As a preliminary matter, the Commission notes that when the Postal Service files materials under seal, it is required to include with those materials a redacted public copy of the materials and an application for non-public treatment. 39 C.F.R. § 3007.10(b) and 3007.20. The Notice did not include a redacted public copy of the Additional Agreement, and it relied on applications previously filed in Docket Nos. CP2013-38 and CP2013-39 and a brief additional statement to provide sufficient justification for non-public treatment. Notice at 1-2. The absence of a public, redacted version of the Additional Agreement or a particularized description of the information in the Additional Agreement that should be treated as non-public hinders the Commission's efforts to provide a complete discussion of the issues arising in this order.<sup>5</sup> Future filings should adhere to the requirements of 39 C.F.R. § 3007.10(b).

Generally, the Commission reviews Global Plus contracts that the Postal Service seeks to add to an existing product to determine: 1) whether the contract is functionally equivalent to the baseline contracts for the product; and 2) whether the contract satisfies the cost coverage requirements under 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.5 and 3015.7. See *e.g.*, Order No. 1633 and Order No. 1638. The Commission will review the Additional Agreement according to these standards and determine

---

<sup>4</sup> The Postal Service has previously filed notices of modifications to Global Plus contracts. See *e.g.*, Docket No. CP2009-46 (one notice concerning a Global Plus 1 contract); Docket No. CP2009-47 (one notice concerning a Global Plus 1 contract); Docket No. CP2009-48 (three notices concerning a Global Plus 2 contract); and Docket No. CP2009-49 (three notices concerning a Global Plus 2 contract). However, none of the modifications concerned transactions similar to the transaction described in the Additional Agreement. The Commission found it unnecessary to issue orders in response to any of the notices.

<sup>5</sup> The failure to file a public, non-redacted version of the Additional Agreement is also inconsistent with the previous practice of the Postal Service with respect to modifications to Global Plus contracts. See *e.g.*, Notice of the United States Postal Service of Filing Modification Three to Global Plus 2 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, July 22, 2010 (Docket No. 2009-49). See *also* Docket No. CP2009-46; Docket No. CP2009-47; and Docket No. CP2009-48. In the notice relating to each of these modifications, the Postal Service provided a public, redacted version of the modification, submitted a new application for non-public treatment, and asserted that the modification did not give rise to any rate changes.

whether the Additional Agreement necessitates any change to Order No. 1633 or Order No. 1638.<sup>6</sup>

The Commission has reviewed the Additional Agreement and concludes that the transaction it describes would have no significant impact on the functional equivalence of the Global Plus 1C Contract and the Global Plus 2C Contract to the baseline contracts approved in Docket Nos. CP2012-12 and CP2012-13 and Docket Nos. CP2012-10 and CP2012-11, respectively, or the ability of the Global Plus 1C Contract and the Global Plus 2C Contract to continue to meet the statutory requirements under 39 U.S.C. § 3633(a). The Commission further determines that no change to Order No. 1633 or Order No. 1638 is necessary as a result of the Additional Agreement.

The Commission notes, however, that the Additional Agreement does not specify a date certain upon which the transaction described in the Additional Agreement will occur. Notice, Non-public Attachment. Instead, the Additional Agreement provides that the date of the transaction will be determined by certain parties to the Additional Agreement.<sup>7</sup> Pursuant to 39 C.F.R. § 3015.6, which allows the Commission to require the Postal Service to provide additional information to enable the Commission to evaluate a contract's compliance with 39 U.S.C. § 3633(a), the Commission directs the Postal Service to notify the Commission no later than 10 days after the transaction described in the Additional Agreement occurs.

---

<sup>6</sup> This approach appears to be consistent with the terms of the Global Plus 1C Contract and Global Plus 2C Contract, which contemplate Commission review of modifications to the Contracts. See Errata to Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 1C Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, January 11, 2013 (Global Plus 1C Notice Errata), Attachment 1, Article 26, paragraph (2); Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 2C Contract Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, January 10, 2013 (Global Plus 2C Notice), Attachment 1, Article 27, paragraph (2).

<sup>7</sup> *Id.* The Additional Agreement refers to this date as the "Transaction Date." *Id.*

*It is ordered:*

1. The Postal Service shall notify the Commission no later than 10 days after the transaction described in the Additional Agreement occurs.

By the Commission.

Shoshana M. Grove  
Secretary